

Message Text

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ACTION EB-08

INFO OCT-01 AF-10 ARA-10 EA-10 EUR-12 NEA-11 IO-13
ISO-00 AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00
FRB-03 H-01 INR-10 INT-05 L-03 LAB-04 NSAE-00
NSC-05 PA-01 CTME-00 AID-05 SS-15 STR-07 ITC-01
TRSE-00 ICA-11 SP-02 SOE-02 OMB-01 DOE-15 /167 W
-----053677 280159Z /63

R 271420Z JUN 78
FM AMCONSUL SAO PAULO
TO SECSTATE WASHDC 8615
INFO USMISSION GENEVA
AMEMBASSY BRASILIA
AMCONSUL RIO DE JANEIRO

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FROM EMBASSY COMMERCIAL COUNSELOR

E.O. 11652: N/A
TAGS: ETRD, GATT, BR
SUBJ: GATT ARTICLE XXVIII NEGOTIATIONS - BRAZIL

REF A. GENEVA 9434, B. STATE 159207

OUR COMMENTS ON THE ADDITIONAL OFFERS SUBMITTED BY BRAZIL
FOLLOW. WHERE WE DO NOT COMMENT WE CONSIDER THE OFFER
ACCEPTABLE.

29.06.11, 29.06.16 AND 29.09.01 - BRAZILIAN IMPORTS OF
THESE ITEMS RUN FROM DOLS 1 TO DOLS 2 MILLION PER YEAR EACH AND
2/3 OR MORE OF THE IMPORTS COME FROM THE U.S. SO FAR AS WE
CAN TELL THERE IS NO LOCAL PRODUCTION AT PRESENT OR CONCRETE
PLANS FOR ANY. THE PROPOSED 45 PERCENT BINDING IS OBVIOUSLY
INTENDED TO COVER THE EVENTUALITY OF FUTURE DOMESTIC PRODUC-
TION. WE SHOULD ASK FOR A BINDING AT 30 PERCENT.

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40.14.04 - EVEN AT THE DUTY RATE OF 85 PERCENT IMPORTS
ARE OVER DOLS 6 MILLION AND THE U.S. SHARE IS OVER ONE-HALF.
FUTURE BRAZILIAN PRODUCTION COULD REDUCE THIS, IF PRO-
TECTED BY AN 85 PERCENT DUTY. WE SHOULD THEREFORE SEEK
A BINDING AT NOT MORE THAN 50 PERCENT.

84.05.02 - IMPORTS OF STEAM TURBINES IN 1975 (THE LAST YEAR FOR WHICH PUBLISHED STATISTICS ARE AVAILABLE) TOTALED DOLS 43.2 MILLION, OF WHICH DOLS 29.5 MILLION CAME FROM THE U.S. IN VIEW OF BRAZILIAN PLANS TO EXPAND DOMESTIC CAPACITY IN THIS FIELD, THE PROPOSED 45 PERCENT BINDING MAY BE TOO HIGH. WE SHOULD ASK FOR 30 PERCENT.

84.60.02.01 - WE HAVE BEEN ENJOYING 2/3 OF THE IMPORT MARKET FOR THIS ITEM. WE SHOULD SEEK A 30 PERCENT BINDING.

85.21.12.00 - IMPORTS OF DIODES IN 1975 TOTALED DOLS 14.2 MILLION, OF WHICH DOLS 5.2 MILLION CAME FROM THE U.S. EVEN THOUGH OUR SHARE OF THE IMPORT MARKET IS LESS THAN 1/2, WE ARE STILL THE LEADING SUPPLIER. WITH THE GROWTH OF THE BRAZILIAN ELECTRONICS INDUSTRY WE EXPECT THE DEMAND FOR DIODES TO RISE RAPIDLY. THERE IS SOME DOMESTIC PRODUCTION, BUT OF POOR QUALITY AND SMALL VOLUME. IT CAN BE EXPECTED TO IMPROVE IN BOTH RESPECTS, HOWEVER. WE SHOULD MAKE A VERY STRONG EFFORT TO GET A BINDING OF NOT OVER 30 PERCENT ON THIS ITEM. WE MIGHT ALSO QUESTION THE BRAZILIAN PRACTICE OF CHARGING IMPORT DUTY ON DIODES ON THE BASIS OF AN ARBITRARY REFERENCE PRICE OF DOLS 122.00 PER 1,000 UNITS, WHICH SOME IMPORTERS CONSIDER A TRADE IMPEDIMENT.

90.24.06 - TOTAL IMPORTS OF THIS ITEM AS WELL AS LIMITED OFFICIAL USE

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IMPORTS FROM THE U.S. HAVE FALLEN FROM 1975 TO 1977, POSSIBLY BECAUSE OF RISING DOMESTIC PRODUCTION. WE SHOULD SEEK A 30 PERCENT BINDING.

90.28.14 - IMPORTS OF THIS ITEM FROM THE U.S. ROSE FROM DOLS 4.8 MILLION IN 1975 TO DOLS 4.9 MILLION IN 1976 AND DOLS 5.2 MILLION IN 1977. TOTAL IMPORTS IN 1977 WERE DOLS 11.3 MILLION. WE DO NOT SEEM TO HAVE A PROBLEM IN THIS CATEGORY, BUT FOR THE SAKE OF CONSISTENCY WE MIGHT SUGGEST A BINDING AT 30 PERCENT INSTEAD OF 37.
TELLER

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NNN

Message Attributes

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Disposition Reason:
Disposition Remarks:
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